



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## NEWS RELEASE

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### **CITY ATTORNEY REASSERTS HIS DECISION TO PURSUE FALSE CLAIMS CIVIL LITIGATION AGAINST LAW FIRM THAT CHARGED CITY NEARLY \$10 MILLION WITHOUT DETAILED BILLS**

**San Diego, CA**—City Attorney Michael Aguirre reasserted his position today that the San Diego City Attorney's Office will continue to pursue the civil litigation against a New York securities defense law firm that billed the City of San Diego \$9,759,918.25 for its work, without providing the City requested detailed billing and performing legal work in California with unlicensed attorneys.

The lawsuit seeks to recover treble damages of \$29,279,754.75. The City paid the bills of Willkie Farr & Gallagher LLP ("Willkie Farr") in connection with twin federal investigations into the City's financial disclosure practices and pension under funding.

The civil litigation is being prosecuted on a contingent fee basis on behalf of the City by private attorney Bryan C. Vess, who has advanced the costs of the lawsuit, *People of the State of California vs. Willkie Farr and Gallagher, LLP, case No. 37-2007-00072585-CU-BT-CTL*.

"After 10 years of illegal deals coming out of City Hall, the people of San Diego have had enough," said City Attorney Michael Aguirre. "We will no longer tolerate exploitation by any entity seeking to take advantage of our City when it was most vulnerable."

Under the California False Claims Act and the Business and Professions Code section 17200 (Unfair Business Practices Act) the City Attorney's Office has the independent authority to investigate and prosecute the violations on behalf of taxpayers.

At a news briefing today, Executive Assistant City Attorney Don McGrath corrected misrepresentations made by the Union-Tribune Editorial Board, claiming Willkie Farr's contract had been signed by City Attorney Michael Aguirre and included an indemnity clause against the law firm. The letter of engagement was signed solely by former City Manager Lamont Ewell.

Furthermore, attorney Bryan Vess explained that the indemnity provision would not apply in this civil litigation because the case asserts illegal conduct in violation of State laws.

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The crux of the lawsuit claims the law firm was hired to perform an agreed-upon role, but billed the City excessively, using 39 lawyers at rates as high as \$865 per hour, to do unauthorized and unnecessary work.

Previous civil lawsuits filed by the City Attorney's Office against professional firms involved in the creation or investigation of the pension under funding have resulted in settlements in excess of \$6 million

To view the civil lawsuit, visit [www.sandiegocityattorney.org](http://www.sandiegocityattorney.org), click "Significant Reports and Legal Documents."

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